

**MATRIX**  
**CABLEVISION, INC.**

12333 S. Saratoga-Sunnyvale Road  
Saratoga, California • 95070  
408•253•5530  
FAX 408•253•5531

2 CATV headends / 2 SMATV headends  
1180 CATV subscribers / 366 SMATV subscribers

November 18, 2002

To: Emily Denney  
Via Fax: 312-372-5939

In early October, Disney Corporation called and asked why I had not launched Soap Net yet. I told them my subscribers do not want this channel and I wasn't going to launch it. She said we would lose our local ABC affiliate (KGO-San Francisco) if we didn't add Soap Net and that she would forward this matter to their legal department. I said to go ahead and do so.

As of today's date I've not heard back from anyone at Disney. I cannot politely tell you how I feel about that company.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Daniel".

Brad Daniel  
President



Dear American Cable Association

Following are some examples of unreasonable retransmission consent abuse I have dealt with recently.

1. ABC attempted *to force us* to put Disney *on* basic, which *crus-*d us to drop Disney or raise our rates. We still have been unable to put Disney back *oil*. I attempted to negotiate with Disney for 6 months, explaining my situation that each time I raise my rates *my* price gets *closer* and closer to the little dish, which will devastate my business. Disney was unwilling to compromise or work with me in *any* way whatsoever.

2. ABC forced us to *put* the SoapNet on.

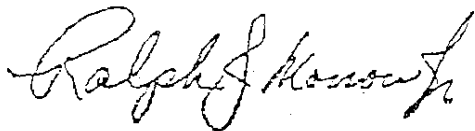
3. Recently FOX Sports sent us contracts for Fos Sports 1 and 2. The contract for Fox Sports 1 would have raised rates to OVER \$3.00 a sub per month. I have attempted to negotiate, and their final offer raises the rates to \$3.00 a sub per month. I have not signed these contracts yet. It is still out of the question. It will *FORCE* *n e* to raise my rates. We are already subsidizing our cable TV income with income from our internet service in order to compete with the little dish. Fox has also required *us* to add *the* Fox Digital Nets in order *to carry* Channel 11 KTTV (Fox affiliate). We *currently carry* EVERY Fox channel available (except the new Fox Digital Nets). The representative is from the Fox corporation.

Following are the Fox Channels we carry and what the station location is in our lineup.

KTTV	11
KCOP	13
Fox Sports	14
Fox Spoits 2	15
Fox Family Network	19
Fox News	20
FX Movies	45
FX	65
Fox Sports World Espanol	604

Thank you for your *help* in this matter. Between the large conglomerates and the dish networks, a small independent cable company is on a very uneven playing field.

Sincerely,



Ralph J. Morrow Jr.  
Catalina Cable TV CO

## EXHIBIT 3

StarVision

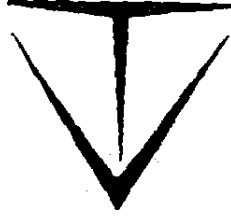
- 1 WTVD - Raleigh/Durham
- 2 Requires Disney/Toon Disney/Soap Net or .70 per subscriber. Additionally, this is a long-term contract through 12/31/08.
- 3 An account executive with ABC Network Group.
- 4 Will not budge from one or the other of the above listed terms.
- 5 None.
- 6 Artificially inflates the cost of "basic", plus having to handle new launch programs that our customers have not requested.

Report from Larry King, General Manager of StarVision

**EXHIBIT 4**

**Mid-Coast Cable Television, L.P.**

# Mid-Coast CABLE Television, L.P.



P.O. Box 1269  
El Campo, TX 77437

979 543-6556  
Fax 979-513-9501

Tuesday, November 19.3002

## KTRK-TV/13 ABC Houston, Texas

11-19-02 Paula Kopka and Carl Ossipoff both with ABC Group/Disney called and wanted to discuss the terms of Retransmission Consent for KTRK-TV/13. They are both handling negotiations for the broadcaster and are both the people that we dealt with on our Disney carriage when Disney was turned off in our system because we would not carry it on Basic cable and pass the cost on to our customers. They are also the representatives of the satellite programmer. They gave us 2 (two) options to consider in order to continue carriage of KTRK-TV/13 from Houston, Texas on our cable system.

### OPTION # 1

Mid-Coast Cable Television could add Disney to its cable lineup and pay .85 cents per subscriber per month for the Disney service. 6482 subs. X .85 = \$ 5,509.70 **per month**

We carried Disney as a premium channel and charged our customers \$7.00 a month for the service as long as they allowed us to carry the service and only provide it to the customers that wanted the service. We only had 143 customers willing to subscribe to the service when ABC/Disney forced us to either move it to basic service and they would no longer provide our customers 2nd us with the service. We were not willing to pay their then asking price of .82 cents per subscriber for their service and pass that cost on to each of our customers. They turned Disney off at 6 PM after hours without notice. They made contact with one of our city franchising authorities in an effort to apply pressure to us to carry their service and I received donut/form letters from the city council persons that were all cut from the same mold. Our customers are happy without Disney. So Option # 1 is not acceptable. Also I might add that we have no available space to add another channel to our cable system without costly upgrades to do so. We have a 450Mhz system and every channel is used. We felt then and still do that we would have been forcing our other 6339 subscribers to pay for something they apparently did not want. We have been without Disney since 10-09-01 at 6PM.

*Your Home Entertainment Connection. . . .*

**OPTION #2**

Mid-Coast Cable Television could pay KTRK-TV/13 (ABC Group) .70 cents per subscriber to continue carriage of the broadcast station on our local cable system  
6482 subs X .70 = \$4,537.40 per month

Option #2 is also not acceptable since we have another ABC station, which serves our market that has fallen, by default, into *Must Carry* status.

In order for *use to remain competitive* in the provider market we must *try* to hold out programming cost to a minimum. We currently *only* charge \$29.99 for 50 channels of cable service, while the national average last year was \$7.00 per month higher than our Expanded Cable Service.

During Retransmission negotiations the following has occurred:  
The first negotiations in 1993 we were forced to carry ESPY II in order to continue to carry KTRK-TV/13 and signed a 6 (six) year term. The second negotiations in 1999 they forced us to carry Soap Net (still another of their services). Now in 2002 they are trying to force us to carry their Disney service to *offset* direct charges from KTRK-TV/13

**THIS HAS GOT TO STOP SOMEWHERE. NEITHER OUR CUSTOMERS NOR US CAN AFFORD IT. WE ARE ALSO NEGOTIATING WITH NBC, FOX, AND CBS. AND WILL KEEP YOU POSTED.**

Wayne Neal  
Vice President & GM



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## EXHIBIT 5

### Griffin Broadband Communications



## Griffin Broadband Communications

Cable Television High-Speed Internet Telephone

October 21, 2002

Mr. W. Kenneth Ferree  
Bureau Chief  
Media Bureau  
Federal communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Mr. Ferree,

I am writing to bring you the perspective of an independent cable television operator to an issue with which must be familiar; the use of retransmission consent by the major broadcast networks to force carriage of their affiliated cable networks. Griffin Broadband Communications owns Total TV of Fort Irwin serving Fort Irwin, California. Fort Irwin is home to the U.S. Army's National Training Center and we're proud to be a part of its community. We acquired Total TV in February of 2002 and during these last few months, we've added additional channels of programming, launched high speed cable modem internet services and vastly improved the customer service aspects of our business. We plan to add a digital tier of service and continue to upgrade and improve the quality of the services offered to the soldiers and their families. In short, we've successfully gained momentum, become an important partner in the community and increased the value for the subscriber as evidenced by our growing subscriber base.

At this critical juncture of our business plan, that momentum and goodwill acquired through so much hard work is threatened by the capricious and selfish demands of the major broadcast networks. By tying their retransmission consent to our agreement to carry other of their cable networks, they have essentially withheld valuable programming, our subscriber wants such as local news, weather and sports to force the carriage of their less desirable programming. They've removed consumer choice from the equation, forcing us to take additional programming regardless of our subscribers' desires to have it or their ability to pay for it. And because we're a small analog system with limited channel slots, we could be forced to remove programming our subscribers have told us they want to make room for these networks. This practice increases our costs, reduces our flexibility and uses up valuable channel capacity; limiting our ability to manage our business and hindering our responsiveness to the community we serve. Further, as it places a burden on us to explain the irrational behavior behind a decision to change their programming and possibly prices, it causes harm to our credibility and standing in the community.

Mr. W. Kenneth Herro  
October 21, 2002  
Page 2

As broadcast networks acquire more cable networks and create new ones of their own, they can blithely ignore the marketplace knowing they can force carriage of their networks through retransmission consent, pushing all their risk onto the cable operator. Our choices are quickly being limited to the major broadcast networks offerings, as independent networks will be wedged out of small systems like ours because we simply will not have channel capacity to carry them. We cannot afford to ignore the value our customers place on local channels and therefore, must capitulate to the demands of the broadcast networks, clearly a fact not lost on them.

Alarming, we see no relief in the future from these practices, but instead see further limitation of choice. Issues of dual must carry, use of spectrum to create even more channels and the already burgeoning practice of "re-purposing" will continue to limit choice of content and diminish the value of the programming and the programmer for both our subscribers and us as operators. It would seem that the broadcast network's control of content and choice will only continue to grow.

I urge you to consider the plight of small operators like us as the American Cable Association, the National Cable Television Cooperative and others bring this message to Capitol Hill and the Federal Communications Commission. Many small operators like Griffin are working to bring broadband infrastructure and advanced services to the rural communities that have been ignored by major operators. We believe we can do so in a way that will bring quality services to our customers and reward our risks to do so. However, the emerging climate highlighted by this retransmission consent tying threatens our ability to move forward and see these plans through to the end.

I appreciate your consideration of our circumstances and I, on behalf of Total TV of Fort Irwin, would willingly make myself available to discuss these issues further.

Sincerely,

/s/

Philip W. Trammell  
Executive Vice President  
940-964-2751

C: Matthew M. Polka, President, American Cable Association  
Mike Pandzik, President & CEO, National Cable Television Cooperative

Griffin Broadband Communications, Inc.  
P.O. Box 11042  
Fort Irwin, CA 92310

**EXHIBIT 6**

**Plantation Cablevision, Inc.**

Emily Denney

From: Joel Hall [joelhall@plantationcable.net]  
Sent: Tuesday, November 13, 2002 3:35 AM  
To: edenney@cm-chi.com  
Subject: Retransmission Consent in Atlanta DMA

Dear Emily

I am Joel Hall With Plantation Cablevision, Inc. located in the Atlanta DMA. We have one headend with 2941 Subscribers. I have two networks so far that are asking for unreasonable terms.

1. WAGA - Fox Affiliate in Atlanta, Ga.

Asking for carriage of Fox Sports Digital Atlantic; Fox Sports Digital Central; Fox Sports Digital Pacific. Fox Cable (Satellite Programmer) is negotiating for WAGA (The Station). Told would not sign an agreement with any ties to channel carriage. Also think will try to tie Digital Carriage of HD feeds when agreements sent.

2. WATL - WB Affiliate in Atlanta, Ga.

Asking for carriage of WGN and Digital Carriage of HD feed when we launch any other station's HD feed. The agreement was sent by the General Manager of the Station. WB 36 is a Tribune Broadcasting Station. Told General Manager that WGN had been dropped due to Copy Right Fees in the tens of thousands of dollars per year once we went to long form. No real response from General Manager as to what direction they were going to take.

I still have not heard from CBS - WGCL and UPN - WUPA who have opted for retransmission consent. ABC WSB and NBC - WXIA have opted for must carry along with other smaller non-affiliated stations.

Plantation Cablevision already carries the full assortment of Fox Cable Channels. The ones mentioned above are the only ones we are not carrying to my knowledge on basic or HITS. Our customers should have the right to choose what stations they would like to see added not the Broadcasters or the Satellite Programmers. This is not what Congress intended. Financially we can not agree to carry WGN and could lose our only WB affiliate if this becomes a significant issue. Again, This is not what Congress intended.

Thanks for any Help,

Joel Hall  
General Manager  
Plantation Cablevision, Inc.

12/4/02

**EXHIBIT 7**

**Cannon Valley Cablevision, Inc.**

CANNON VALLEY CABLEVISION, INC  
202 North First Street  
Bricelyn, MN 56014

SUMMARY OF RETRANSMISSION NEGOTIATIONS TO DATE

November 25, 2002

Requests received and negotiations thus far:

Cannon Valley Cablevision, Inc has received notification from broadcasters representing 9 off air stations. Thus far, the requests have fallen into the following categories:

	<u>THIS YEAR</u>	<u>THREE YEARS AGO</u>
Requesting Must Carry:	1	2
Requesting Free Retran:	1	6
Received Compensation:		1
Want to Negotiate Retran:	3	0
Request additional channels carried: 2 (Fox/UPN)		0

Specifically, Cannon Valley has settled with only 2 broadcasters to date. The first is KEYC-TV, a local, rural CBS affiliate in Mankato, Minnesota, who requested Must Carry. Three years ago, they also requested Must Carry. The second is KMWB, an independent Twin Cities broadcaster who requested no-fee Retransmission Consent. Three years ago, they also requested no-fee R.C. In both cases, there was no need for negotiation, as both indicated they were pleased to have their signal relayed to Cannon Valley customers.

This year, five broadcasters has notified Cannon Valley that they will be requesting Retransmission Consent, but have not made any proposals to date.

A representative from Fox has met with me six weeks ago and requested more carriage of Fox satellite services in lieu of "substantial" but unspecified retransmission fees for KMSP (FOX) and WFTC (UPN), both Twin Cities broadcast stations. Their representative indicated the fees could be as high as \$1.00 per channel, but would not be more specific. After indicating to the FOX representative that we did add HITS QT to our largest system (980 customers) and that FOX programming was included in that lineup, she indicated that would satisfy their mandate and that system was off the table. I asked if I could get "credit" for existing satellite services, e.g. FX, that had been added the previous year, and was told no, I needed to add something offered by FOX in the other systems to escape paying retransmission fees. I asked her to put their proposal in writing, and have to date received nothing.

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**Effect on Cannon Valley:**

The forced carriage of Fox products means Cannon Valley will pay broadcast fees in lieu of retransmission consent fees to continue to carry these Fox/UPN broadcasters. This year, the percentage of affiliate fees for Basic Service has already risen from 43% of the 2001 subscriber rate to 52% of that rate in 2002. That rise in cost forced Cannon Valley to raise Basic Service rates to keep pace with increases in affiliate fees. Further demands for fees will only cut all-lady slim margins and our ability to compete in the video marketplace.

Finally, I have contacted other rural cable companies in Minnesota, with the offer that collectively we could obtain legal council to understand our rights, potentially to negotiate as a unit, and possibly to coordinate with the ACA to intervene at the FCC .

If I can be of further assistance, please don't hesitate to contact me.

Sincerely,

Scott W. Johnson  
President



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EXHIBIT 8

Sunflower *Broadband*



Sunflower Cable  
Proposal for Retransmission Consent Arrangement  
November 12, 2002

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Retransmission consent proposal for Sunflower Cable shall consist of both a cable distribution agreement and retransmission consent agreement. Both agreements together will constitute the complete retransmission consent arrangement.

**Cable Distribution Proposal:**

<u>Network</u>	<u>System</u>	<u>Incremental Subs</u>	<u>Launch/Carriage</u>	<u>Launch Date</u>
Digital Nets	Lawrence, KS	Approx. 4,000	Per NCTC deal	June 30, 2003
Fox Movies	Lawrence, KS	Approx. 3,000	Digital	June 30, 2003
"Fox Extreme"*	Lawrence, KS	Approx. 4,000	Same as FSDN	Launch of Network

Launches for *Digital Nets* and *Fox Movie Channel* to occur through NCTC.

Launches for "Fox Extreme" may go through NCTC in the event an NCTC deal is reached.

\* Working title.

**Retransmission Consent Agreement:**

Shall consist of standard terms and conditions for carriage of all in-market Fox O&O's and out of market O&O's currently carried, including but not limited to channel position, digital carriage and VBI language.

*Valid for discussion purposes only through 12/31/02. This is not an offer.*

**EXHIBIT 9**

**Chibardun Cable T.V.**

12/06/02 FRI 12:25 FAX 412 922 2110  
Box 164, 110 N. SECOND AVENUE  
WISCONSIN 54733  
PHONE: 715.837.1011  
TOLL FREE: 1.800.924.3405  
FAX: 715.837.1196

AMER CBL ASSOC

CHRIS CINNAMON  
CTC LONG DIST  
CTC WIRE  
CTC TEL  
CTC C  
CTC I

Telephone Cooperative, Inc

COMMUNICATING SOLUTIONS.  
IT'S WHAT WE DO.

November 26, 2002

Ms. Kate Kingsley  
Fox Cable Network Group  
11358 Viking Drive  
Eden Prairie, MN 55344-7258

Re: Retransmission Consent Agreement

Ms. Kingsley,

This letter is in response to our telephone conversation of November 26, 2002. In our "negotiations" of a retransmission agreement, you have stated that the only way that we can continue to carry WFTC (UPN 29) and KMSP (Fox 9) for our customers is for us to launch another Fox affiliated channel such as Fox Sports North ( \$2.04 per sub per month) or National Geographic ( \$ .16 per sub per month). Your demand is unreasonable and borders on extortion.

Chibardun Cable T.V. Corporation is a small company serving six rural communities and a total of only 2000 customers. CTC Telcom serves three communities and only 1500 customers. Already, over 50% of all revenues collected from end users go to directly to video programmers. It is, by far, our single largest expense. Retransmission consent contingent on additional satellite channels that require monthly programming fees is an option that cannot be accepted, by us or by our customers.

If the Fox Cable Network is unwilling to change its position, Chibardun Cable and CTC Telcom will be forced to remove KMSP (Fox 9) and WFTC (UPN 29) from our systems on December 31, 2002.

If you have any questions in regard to this matter, please contact me at 715-837-2320.

Sincerely,

*Scott J. Hickok*

Scott Hickok  
Plant Manager

cc. Carol Rueppel, Vice President, FOX Television  
Matt Polka, President, American Cable Association  
Michael K. Powell, Chairman, FCC  
Kathleen Q. Abernathy, Commissioner, FCC  
Michael J. Copps, Commissioner, FCC  
Kevin J. Martin, Commissioner, FCC  
Jonathan Adelstein, Commissioner, FCC

**EXHIBIT 10**

**City of Wyandotte, Michigan  
Municipal Service Commission**

RESOLUTION 11-2002-04

A RESOLUTION OBJECTING TO THE ACTIONS OF FOX CHANNEL 2 AND FOX  
CABLE NETWORKS REGARDING RETRANSMISSION CONSENT AND  
DIRECTING CERTAIN ACTIONS IN RESPONSE

WHEREAS, the City of Wyandotte, Michigan, owns and operates a municipal cable television system for the benefit of its local citizens and businesses; and

WHEREAS, in the operation of its municipal cable television system the City of Wyandotte is required to negotiate every three years for the right to retransmit certain free, over-the-air local broadcast stations pursuant to the "Retransmission Consent" laws and regulations of the U.S. government; and

WHEREAS, many such free, over-the-air broadcast stations are owned by large media conglomerates that are attempting to use their combined content and market power to force the carriage of additional programming owned by said media conglomerates at the expense of the citizens and businesses of the City of Wyandotte; and

WHEREAS, Fox Channel 2 in Detroit is attempting to force the City of Wyandotte to take and pay for an additional channel owned by Fox Channel 2's parent company, Fox Cable Networks, for a period of five to ten years as a condition of allowing Wyandotte's municipal cable system to retransmit Fox Channel 2 to local citizens and businesses for the next three years; and

WHEREAS, the actions of Fox Channel 2 and Fox Cable Networks, if successful, will reduce the choices available to Wyandotte citizens and businesses and increase the cost of basic and/or digital cable television programming services; and

WHEREAS, The City of Wyandotte Municipal Service Commission, on behalf of the citizens and businesses of the City of Wyandotte, strongly objects to any attempt to force the carriage of additional channels owned by Fox Cable Networks as a condition of retransmitting Fox Channel 2's free, over-the-air broadcast television signal; now therefore,

BE IT RESOLVED by the Wyandotte Municipal Service Commission, a majority of its members thereto concurring,, that:

- I. The General Manager be and hereby is directed to investigate alternatives including legal, regulatory, legislative or other remedies, to prevent the forced carriage of additional Fox Cable Networks

programming as a condition of the right to retransmit Fox Channel 2 on the municipal cable television system and to recommend an appropriate course of action to the Wyandotte Municipal Service Commission at a future meeting ~~of~~ this body;

2. The General Manager he and hereby is directed to notify local citizens and businesses served by the municipal cable television system of the attempt by Fox Channel 2 and Fox Cable Networks to tie additional cable programming to the retransmission of Fox Channel 2 on the municipal cable television system;
3. The General Manager be and hereby is directed to notify local citizens and businesses of the possibility that the municipal cable television system may be forced to cease retransmission of Fox Channel 2 as of January 1, 2003, because' ~~of~~ the actions of Fox Channel 2 and Fox Cable Networks; and,
4. The General Manager be and hereby is directed to notify Fox Channel 2 and Fox Cable Networks of the City of Wyandotte's strong objection to their attempts to force the carriage of additional Fox Cable Network programming as a condition of the right to retransmit Fox Channel 2 on the municipal cable television system and to include a copy of this Resolution in said communication;
5. The General Manager be and hereby is directed to contact the Federal Communications Commission for the following purposes:
  - A. File a letter in support of the Petition for Inquiry into Retransmission Consent Practices filed by the American Cable Association on October 1, 2002 (the "Petition"); and,
  - E. Request that the Federal Communications Commission take action forthwith in regard to the Petition to investigate and eliminate the retransmission consent abuses taking place in television markets all across the United States, including those markets served by the Wyandotte municipal cable television system; and,
  - C. Request that the Federal Communications Commission either take direct action *or* make recommendations to the United States Congress to address the harms caused by such egregious retransmission consent practices that force consumers, such as the citizens and businesses served by Wyandotte's municipal cable television system, to pay for free, over-the-air broadcast television signals.

.ADOPTED this 26th day ~~of~~ November, 2002.

ATTEST:

WYANDOTTE, MUNICIPAL SERVICE COMMISSION

By: 157  
President

By: 157  
Secretary



# EXHIBIT C